



**U. S. Department of Housing and Urban Development
Field Office Director
Nashville**

November 22, 2011

Honorable Tommy Bragg
Mayor of Murfreesboro
111 West Vine Street
P.O. Box 1139
Murfreesboro, Tennessee 37133

Dear Mayor Bragg:

SUBJECT: Consolidated End-of-Year Report, Program Year 2010
Murfreesboro, Tennessee

Annually, the U.S. Department of Housing and Urban Development (HUD) is required to conduct a review of performance by grant recipients. The review consists of: analyzing the City's consolidated planning process; reviewing management of funds; determining the progress made in carrying out HUD policies and programs; determining the compliance of funded activities with statutory and regulatory requirements; and determining the accuracy of required performance reports; as well as evaluating accomplishments in meeting key Departmental strategic goals and objectives. Concurrently, the Secretary of HUD must determine that the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. This annual assessment covers the 2010 Program Year, for the period of July 1, 2010 to June 30, 2011.

In addition to meeting the mandates of the statutes, this assessment provides a basis for the City of Murfreesboro and HUD to work together collaboratively in achieving housing and community development goals. The Office of Community Planning and Development (CPD), in consultation with the Offices of Public Housing, Multifamily Housing, Single Family Housing, Chief Counsel, Fair Housing and Equal Opportunity and my Office, completed the assessment.

We congratulate the City of Murfreesboro and the staff of the Office of Community Development for the Consolidated Planning Programs on the accomplishments toward implementing programs and policies, which carried out the strategies, as outlined in the 2010 Consolidated Plan (July 1, 2010 to June 30, 2011). This is the first year of reporting under the 2010 Plan, covering the period of July 1, 2010 through June 30, 2011.

During the 2010 Program year, the City continued worthwhile activities and expended funds in a timely manner. Sixty days prior to the end of the 2010 Program Year, a total of 1.12

*HUD's mission is to increase homeownership, support community
development and increase access to affordable housing free from discrimination.*

in program years of Community Development Block Grant (CDBG) funds remained in the grantee's line of credit which met the timely use of funds test as required by 24 CFR 570.902.

We commend the City on its efforts to expend CDBG – Recovery funds for eligible activities under the American Recovery and Reinvestment Act (ARRA).

In the review of the Consolidated Annual Performance and Evaluation Report (CAPER), the information entered in the Integrated Disbursement Information System (IDIS), HUD Program Offices comments, and CPD staff discussions/knowledge of the jurisdiction's activities during the 2010 Program Year, the City is recognized for a number of noteworthy accomplishments including the following:

1. **Low- and Moderate-Income (LMI) Benefit.** The CAPER indicated that 100 percent of the CDBG funds expended during the reporting period benefited LMI persons either through direct benefit activities or activities benefiting LMI areas.
2. **Housing Rehabilitation Programs.** The City offers a number of services to income-eligible homeowners including home rehabilitation (up to \$25,000) and reconstruction (up to \$89,000), emergency repairs (up to \$5,000), sewer tap connection fee assistance and tree removal. The goal was to serve 12 households by rehabilitation or reconstructing homes or providing other program services. A total of 12 households were assisted including six homes rehabilitated, with two being reconstructions, three being emergency repair and one receiving tree removal assistance.
3. **Affordable Housing Initiatives.** The City offers no-interest loans of up to \$10,000 to income-eligible first time homebuyers. The goal was to serve 12 first-time homebuyers. Five homebuyers were assisted in the last half of 2009, fueled by the \$8,000 tax credit. However, after 2010, the demand for housing assistance dropped.
4. **Public Service Activities.** Thirteen agencies were awarded grants to carry out a variety of public service projects. These activities included: health care services, adult day care, child abuse prevention, read to succeed program, financial literacy program, and other services for the community.
5. **Economic Development.** The City initiated a microenterprise program in partnership with Middle Tennessee State University's Small Business Development Center. The University is providing technical assistance and the City will provide small, low-interest loans. The first microenterprise loan was closed on January 2011.
4. **Assistance to the Homeless.** The City continued utilizing CDBG funds to assist in operating the Homeless Management Information System. In addition, the Murfreesboro Continuum of Care has been very successful in applying for and receiving homeless funding through the annual Continuum of Care Program

competition. In 2010, two new projects received funding totaling \$60,422 for permanent housing for the homeless. In addition, six additional grants were renewed for a total of \$498,600.

The City is a designated set-aside City for funding through the Tennessee Housing Development Agency's Emergency Shelter Grants (ESG) Program. In 2010, the City received \$110,412. This funding allowed 10 agencies to carry out homeless emergency operations, essential services, and prevention activities. In addition, the Murfreesboro/Rutherford County Continuum of Care was the recipient of Homeless Prevention and Rapid Re-Housing (HPRP) funding from the State in the amount of \$421,222. The majority of this funding is going toward homeless prevention.

- 5. Analysis of Impediments to Fair Housing Study (AI).** A number of Tennessee CDBG entitlement communities have referred to Murfreesboro's AI and the process in which it was developed as being an example of how to develop an AI. CPD acknowledges the City's AI and will forward a copy to our Tennessee grantees as they develop and update their AIs.

As you know, CPD is working on enhancements to the Consolidated Plan and anticipates the streamlined format to be operational for the submission of your 2013 Consolidated Plan/Annual Action Plan. The streamlined approach will include linking the Consolidated Plan to the IDIS and providing a less intensive process for preparing the CAPER. Also, during the 2012 Program Year, the One CPD Technical Assistance Program will be implemented and should assist your jurisdiction as it plans and implements local housing and community development activities.

A major HUD priority is to assist grantees in carrying out programs and activities to address the needs of returning veterans and their families. Please be aware that this remains a major focus of the Department and HUD's staff is available as you plan and implement these programs and activities.

HUD will also continue to work with our grantees in implementing activities which promote energy efficiency, reduce energy costs for our beneficiaries, and expand efforts to bring green building practices to HUD-financed or HUD-assisted new construction and rehabilitation projects. Major emphasis will continue on building sustainable communities and partnering with other Federal departments in these efforts. The Department will be on the forefront in implementing place-based management strategies. According to the Office of Management and Budget (OMB), place-based management "targets prosperity, equity, sustainability and livability of places" and examines how a place functions as well as adapts to variable market conditions. During the 2011 Program Year and as you plan for the 2012 Program Year, please pay close attention to the following:

- 1. Frequent and Up-to-date Reporting In IDIS.** At the end of each Federal fiscal year, HUD reports information on the accomplishments achieved using CDBG and HOME funds in its Annual Performance Report. This report uses the accomplishments reported by grantees in IDIS to measure the success of the

Consolidated Planning Programs, especially HOME and CDBG, in achieving goals. This information is analyzed by the OMB and Congress and is an important consideration in future funding of the program. Therefore, it is critical that you report all accomplishments for each of your activities for which you have accomplishments to report. While some activities will not have accomplishments for the current fiscal year, most will. In addition, where feasible, make sure to include entries relative to lead based paint and energy "green" accomplishments. This will enable CPD to capture data needed in those areas.

2. **IDIS Cleanup of Reporting.** Please pay close attention to making sure that data entered into IDIS complies with the regulations and has accomplishments which can be documented in your applicable formula and ARRA files.
3. **Timely Completion of Activities.** As we reviewed information in IDIS, a large number of stalled activities were observed. Please take time to review those activities to make sure that they are completed in a timely manner. As you know, this Office is available to offer technical assistance and guidance. We will also be contacting you regarding noted stalled activities.
4. **Technical Assistance Program (TAP).** Currently, the CPD Office has a TAP to assist grantees and their partners as they encounter problems and need assistance under the HOME and Homeless Programs. Those funds at the Field Office level are limited. Nevertheless, CPD will offer in Fiscal Year 2012, a more comprehensive approach to assisting its grantees through the One CPD TA Program. This program will assist grantees in addressing problems that cross programmatic lines and require a more comprehensive approach. The program will be administered largely by CPD in HUD headquarters. More specific information on One CPD TA will be distributed at a later date. For any requests regarding TA for CPD programs, please contact CPD at (865) 545-4391.
5. **Minority Business Enterprise (MBE) Reporting.** Executive Orders 11432 and 11625 require all Federal agencies to promote MBE participation in their programs. MBE includes women's business enterprises. The City is encouraged to expand its efforts in these areas and submit the MBE report (HUD Form-2516) on the Consolidated Plan Program funds. The next MBE report, "Contract and Subcontract Activity," will cover the period of October 1, 2011- September 30, 2012. The completed form has a submission date within 10 days of September 30th each year. The next report is required to be submitted by October 10, 2012.
6. **Section 3 Reporting.** The Department encourages compliance with Section 3 of the HUD Act of 1968, and implementing regulations at 24 CFR Part 135. Section 3 provides to the greatest extent feasible opportunities of employment and training be given to lower income residents of the project area and contracts be awarded to businesses located in or owned substantially by residents of the project area. It helps low-income residents gain the skills and jobs needed to become self-sufficient. The

program also provides opportunities for qualified, low-income business owners to receive preference in bidding on HUD-funded contracts. Grantees are required each year to submit a Section 3 Report, which is due for entitlement grantees at the same time they submit their CAPERs. The report should be submitted to the General Opportunity Division Office in HUD Headquarters or may be submitted online at the following website: <http://www5.hud.gov:63001/apps/po/e/srs/Public/form.cfm>.

7. **Conflict of Interest Requirements.** We would like to take this opportunity to remind all grantees of the conflict of interest regulations regarding all of the Consolidated Planning programs: CDBG at 24 CFR Part 570.611; HOME at 24 CFR Part 92.356; ESG at 24 CFR Part 576.57(d) and 24 CFR 570.611(d) & (e); and HOPWA at 24 CFR Part 574.625. Each program provides information on what may be considered a conflict and who may be covered. In addition, each provides a process by which a grantee can contact CPD to request an exception to the conflict of interest regulations. Failure to comply with the conflict of interest provisions will result in funding connected to the conflict being questioned and disallowed. We encourage all of our grantees to implement conflict of interest procedures that will assist all employees, elected officials and subgrantees in being in compliance and will assist the grantee with early detection of possible conflict of interest matters. CPD and the Chief Counsel are always available to provide guidance on possible conflict of interest compliance matters.
8. **All Grantees Meeting.** Our June 2011 "All Grantees Meeting" was a great success. Please tentatively put on your calendar a 2012 All Grantees Meeting for June 2012. We will get back to you on the exact date.
9. **Fair Housing Initiatives.** The Office of Fair Housing and Equal Opportunity (FHEO) reviewed the CAPER. In its comments, FHEO noted that the City's Analysis of Impediments to Fair Housing study was completed in April 2010. FHEO acknowledged that the City carried out activities to promote fair housing. Nevertheless, it was recommended that during the program year the City specifically document its actions to address noted impediments and a narrative on those specific actions be mentioned in the next CAPER submission.

As a result of our review of the CAPER and applicable information on progress and compliance, HUD has determined that the City of Cleveland has the continuing capacity to implement and carry out the Consolidated Planning programs and that for the 2010 Program Year the progress has been acceptable. You are invited to submit to this Office, within 30 days, your written comments about the content of or conclusions expressed in this letter. Please make this letter available to the public within 30 days of its receipt or the submission of your comments to HUD.

We also encourage the sharing of this assessment report with: the media, those on your mailing list of interested persons, members of your advisory committee, and/or those who attended hearings or meetings. HUD will make this information available to the public upon request and may provide copies of this report to interested citizens and groups. If you have any questions, please call Mary C. Wilson, Director, Office of Community Planning and Development at (865) 545-4391 or me at (615) 585-8510.

Very sincerely yours,

A handwritten signature in dark ink, appearing to read "Keith Richardson", with a long horizontal flourish extending to the right.

Keith Richardson
Nashville Field Office Director

cc:

John Callow, Director
Office of Community Development